



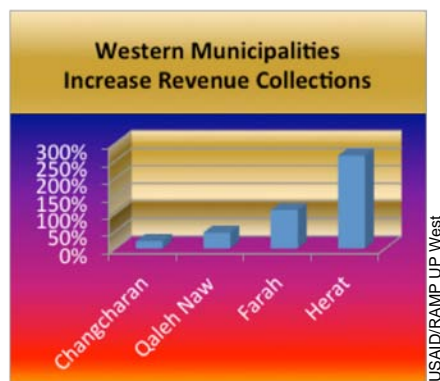
USAID
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AFGHANISTAN

SNAPSHOT

Transparency Increases Revenues

Improved collection process pays off in Changcharan, Farah, Qaleh Naw, and Herat



With the help of a USAID project, average increase in revenues over previous year exceeded one hundred percent, with Herat showing a 264% jump over the last year.

Municipalities in Afghanistan do not receive funding from Kabul. They finance a hundred percent of their budget from their own revenues. Improving collections and finding new sources of revenue is critical to long-term sustainability and the delivery of services to residents. With the assistance of USAID's RAMP UP West project, the municipalities of Chaghcharan, Farah, Herat and Qaleh Naw analyzed their revenue collection process, identifying bottlenecks and weak points. They also examined under-reported and uncollected sources. Based on this analysis, each municipality developed its own, locally appropriate strategy to increase revenues and took action accordingly.

Municipalities worked on better recording of revenues, including computerized records. This allowed better reporting of revenues to the Mayor, GIROA and citizens. As a result, mayors and their communities can follow revenue collection and hold the municipality and individual officials accountable. These steps increase transparency and reduce corruption, ensuring that more revenues reach the municipal bank account rather than simply disappearing.

Results speak for themselves. Chaghcharan, a poor mountain community with few resource options, saw revenue increase 21% last year. Farah revenues grew by 109%, increasing faster than the already-robust growth in the previous year. Herat experienced a significant jump in revenues of 264% after moderate growth in previous years. And Qaleh Naw revenues rose 45% to accelerate their growth trend.

Improved collection processes, finding new and under-reported sources and greater transparency mean increased municipal revenues. This, in turn, enables municipalities to fund improved service delivery. Citizens also show more willingness to pay based on these improvements.

Citizens and municipal officials credit USAID assistance for making it happen. USAID embedded a municipal finance advisor in each municipality to work daily, offering guidance and support to officials.